



# NEW PAYROLL SYSTEM (APRIL 30, 2010) PLANNING YOUR FINANCES

Auditor-Controller  
Announcement  
Issue 8  
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## What is Changing?

The County will be replacing its payroll system (CWPAY) with the April 30, 2010 payday. With the implementation of the new semi-monthly eHR Payroll System, employees who have a Horizons/Savings Plan Loan must elect a payment plan. In addition, employees may want to change their deferred plan contributions and consider withholding additional Federal and State tax from their paychecks.

**Your decision in these three areas will affect your take home pay!  
Please consider your options carefully!**

## In this Issue:

### Horizons/Savings Plan Loan Payment Frequency

- Monthly Payroll Deduction
- Semi-Monthly Payroll Deduction

### Horizons/Savings Plan Employee Contributions

- Contribution Percentage

### Federal/State Taxes Impact (One-Time)

- 2010 Tax Withholdings

### Issue 6: Personnel and Pay Events REVISED

## Frequently Asked Questions

For more details on these issues and other information visit the Employee Portal: <http://payroll.lacounty.gov/faq> or ask your payroll manager.

### 1) HORIZONS/SAVINGS PLAN LOAN PAYMENT FREQUENCY

If you have a Horizons/Savings Plan Loan, you must decide if you want your loan payment withheld each payday or once a month. You will receive a package with a Loan Payment Election Form and an estimate of your semi-monthly payment amount. If you have a loan with each plan, you will receive two packages.

**You must complete and return the Loan Payment Election Form to Great-West by April 20, 2010.** If you do not return the form to Great-West by this date, your entire loan payment will be deducted once a month from your mid-month paycheck starting May 15, 2010. This will affect your net pay. See Page 2 for an example.

If you have not received your Loan Payment Election Form by March 31, 2010, please call Great-West immediately at 1-800-947-0845, Press 0, then select Option 8.

### 2) HORIZONS/SAVINGS PLAN EMPLOYEE CONTRIBUTIONS

The eHR Payroll System will simplify how to calculate the employee contribution to your Horizons/Savings Plan. This may require you to adjust your deferral percentage in order to maintain your current deduction amount. Your Great-West quarterly statement/newsletter (for the period ending December 31, 2009) includes detailed instructions on how to:

- Calculate your deduction and
- Determine the minimum contribution rate to receive the maximum County contribution.

To view the quarterly newsletter on-line, please visit the Great-West website at [www.countyla.com](http://www.countyla.com). Deferral percentage changes made during March will be reflected on the April 30th paycheck. To make a change to your contribution deferral percentage, either login to the Great-West website: [www.countyla.com](http://www.countyla.com), and click on the "Change Account" tab OR call KeyTalk® at: (800) 947-0845 to use the voice response system or speak directly with a client services representative.

### 3) FEDERAL AND STATE TAXES IMPACT (ONE-TIME)

The one-time conversion to semi-monthly pay results in the inclusion of an extra pay period in the 2010 W-2 Tax Form (issued in January 2011). For more detailed information see Frequently Asked Questions, Semi-Monthly Payroll (P1), at the LA County Employee Portal Page at: <http://payroll.lacounty.gov>.

For most employees, the change in 2010 State and Federal Tax liability will be greater than additional taxes withheld due to the extra pay period. You may want to consider adjusting your withholding allowances, status, or have an additional amount withheld each semi-monthly pay period to compensate for this.

Federal W-4 and State DE-4 Forms are available from your payroll office or online at: <http://payroll.lacounty.gov>.

For more information on the new eHR Payroll System, please visit the LA County Employee Portal at: <http://payroll.lacounty.gov>



## HORIZONS/SAVINGS PLAN LOAN EXAMPLE

An employee has a monthly net pay of \$3,000 (\$1,500 each pay period) which includes a monthly Horizons loan payment of \$500. The following table shows how the employee's loan deduction election will affect their net pay.

### Effect on Net Pay - Semi-Monthly Deduction Vs Monthly Deduction

	Loan Payment	Net Pay 30 <sup>th</sup> of each Month	Loan Payment	Net Pay 15 <sup>th</sup> of each Month
<b>Semi-Monthly Deduction</b>	\$250	\$1,500	\$250	\$1,500
<b>Monthly Deduction</b>	\$0	\$1,750	\$500	\$1,250

## ISSUE 6 - PERSONNEL AND PAY EVENTS REVISED

Based upon feedback from employees, employee organizations and consistent with a work day based payroll system, salary calculations for Mid-Period Personnel and Pay Events such as salary changes and employees leaving county service will be calculated on a work day basis rather than on a calendar day basis.

Visit the LA County Employee Portal at: <http://payroll.lacounty.gov> to read the changes in Issue 6 and FAQs.

## \*\*\* IMPORTANT REMINDERS \*\*\*

### Loan Payment Election Form

Submit your election form by **April 20, 2010**. If you did not receive an election form, one can be obtained by contacting Great-West at:  
**(800) 947-0845, Press 0 and then select Option 8.**

### Employee Contributions

Great-West sent a quarterly statement/newsletter with instructions to calculate your deduction and minimum contribution rate. For adjustments, visit [www.countyla.com](http://www.countyla.com) OR call **(800) 947-0845**

### Federal & State Tax Impact

If you want to adjust your Federal (W-4) and State (DE-4) withholdings you can obtain these forms from your **Payroll Office** OR <http://payroll.lacounty.gov>

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